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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके ।
Separate paging is given to this Part in order that it may be filed as a separate compilation

MINISTRY OF LAW AND JUSTICE

(Legislative Department)

New Delhi, the 22nd May, 1986/Jyaistha 1, 1908 (Saka)

The following Act of Parliament received the assent of the President on the 21st May, 1986, and is hereby published for general information:—

THE INCOME-TAX (AMENDMENT) ACT, 1986

No. 26 OF 1986

[21*st May*, 1986.]

An Act further to amend the Income-tax Act, 1961.

BE it enacted by Parliament in the Thirty-seventh Year of the Republic of India as follows:—

Short title and commencement.

1. (*1*) This Act may be called the Income-tax (Amendment) Act, 1986.

(*2*) It shall come into force on the 1st day of April, 1987.

Amendment of section 36.

43 of 1961.

2. In section 36 of the Income-tax Act, 1961 (hereinafter referred to as the principal Act), in sub-section (*1*),—

(*a*) after clause (*ia*), the following clause shall be inserted, namely:—

"(*ib*) the amount of any premium paid by cheque by the assessee as an employer to effect or to keep in force an insurance

on the health of his employees under a scheme framed in this behalf by the General Insurance Corporation of India formed under section 9 of the General Insurance Business (Nationalisation) Act, 1972 and approved by the Central Government;"; 57 of 1972.

(b) in clause (*viia*), for the portion beginning with the words "in respect of any provision" and ending with the words "whichever is higher.", the following shall be substituted, namely:—

"in respect of any provision for bad and doubtful debts made by—

(*a*) a scheduled bank [not being a bank approved by the Central Government for the purposes of clause (*viiia*) or a bank incorporated by or under the laws of a country outside India] or a non-scheduled bank, an amount not exceeding five per cent. of the total income (computed before making any deduction under this clause and Chapter VIA) and an amount not exceeding two per cent. of the aggregate average advances made by the rural branches of such bank computed in the prescribed manner;

(*b*) a bank, being a bank incorporated by or under the laws of a country outside India, an amount not exceeding five per cent. of the total income (computed before making any deduction under this clause and Chapter VIA).".

Insertion of new section 80 D.

3. After section 80CC of the principal Act, the following section shall be inserted, namely:—

Deduction in respect of medical insurance premia.

"80D. (*1*) In computing the total income of an assessee, there shall be deducted, at the following rates, such sum as is specified in sub-section (2) and paid by him by cheque in the previous year out of his income chargeable to tax, namely:—

(*i*) in a case where such sum does not exceed in the aggregate three thousand rupees, the whole of such sum; and

(*ii*) in any other case, three thousand rupees.

(*2*) The sum referred to in sub-section (*1*) shall be the following, namely:—

(*a*) where the assessee is an individual, any sum paid to effect or to keep in force an insurance on the health of the assessee or on the health of the wife or husband, dependent parents or dependent children of the assessee;

(*b*) where the assessee is a Hindu undivided family, any sum paid to effect or to keep in force an insurance on the health of any member of the family;

(*c*) where the assessee is an association of persons or a body of individuals consisting, in either case, only of husband and wife governed by the system of community of property in force in the Union territories of Dadra and Nagar Haveli and Goa, Daman and Diu, any sum paid to effect or to keep in force an insurance on

the health of any member of such association or body or on the health of the dependent children of the members of such an association or body:

Provided that such insurance shall be in accordance with a scheme framed in this behalf by the General Insurance Corporation of India formed under section 9 of the General Insurance Business (Nationalisation) Act, 1972, and approved by the Central Government.".

57 of 1972.

Amendment of section 80HHB.

4. In section 80HHB of the principal Act, for the words "twenty-five per cent.", wherever they occur, the words "fifty per cent." shall be substituted.

C. RAMAN MENON,
Additional Secy. to the Govt. of India.

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